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1. US will neither mediate nor encourage coalition in China --Secretary Marshall has instructed Ambassador Stuart that the US: (a) must not give any indication of support or encouragement for a ccalition government in China with Communist participation; and (b) has no intention of again offering its good offices as mediator in China. At the same time, Ambassador Stuart is directed to avoid overt or even secretly expressed opposition to a compromise settlement, because this might: (a) provide ammunition in China for propaganda allegations that the US is prolonging and encouraging the war; and (b) mislead the National Government to anticipate unlimited aid, which cannot be forthcoming under the existing world situation and, in any event, would require action by Congress.

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2. US delegation to remain until final Belgrade vote taken -- The Department of State has advised the US delegation at the current Belgrade Conference that a firm US decision has been taken to remain at the Danube Conference, regardless of British and French actions, until the final vote in plenary session has been taken on the Soviet draft for a new Danube Convention. The US wishes to demonstrate its willingness to continue negotiations, even when it is in a minority position, in order that it may not be compared to the USSR in connection with Soviet tactics in walking out of UN and other conferences. The US delegation is instructed to hasten, as far as possible, final action in plenary session, and is directed to make blunt statements on basic issues but to avoid detailed discussions. The US delegation is also instructed to support British and French claims regarding the continuing validity of the previous treaties.

State Department review completed

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3. Informal US reactions to UK views on Palestine - The Department of State has transmitted to US Embassy London its "tuformal reactions" to the UK's provisional views on a settle nent of the Palestine problem. The Department is in general agreement with the British view that, in seeking a settlement, the current military situation in Palentine (as well as other factors) must be taken late consideration. However, it believes that the UN's partition resolution should be retained as the basis for a settlement and that a combining effort should be made to improve the resolution in order to make it more acceptable to both Jews and Arabs. The Department believes that, within the framework of this principle and with the guidance of the US and UK, the resolution could be modified "as a result of informal Arab-Jowish negotiations." (The UK had expressed the view that pressure by the UN, the US, and the UK on Jews and Arabs would be more effective in achieving a settlement than Jewisi-Arab negotiations)

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US Political Adviser Jacobs expresses the view that, occause US-Korean actions have been based on the terms of a UN Gereral Assembly resolution, the US stands to lose all it has gained thus far if it begins and publicly amounces troop withdrawals before the General Assembly has again considered the Korean problem and has come to some decision on it. Jacobs believes that the US should stand firm everywhere on the Soviet perimeter, including Korea, until it knows more clearly what actions will be taken in the General Assembly and what the result will be of the negotiations on Berlin and the rest of Germany.

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5. INDONESIA: Netherlands Government proposes action—US
Embassy The Mague reports that it has received belated notification from the Netherlands Foreign Ministry of a Dutch
decision to take action in Indonesia. The Foreign Ministry
declared that "an announcement would shortly be made in
Batavia regarding the possibility of taking measures against
Communist activities." The Foreign Ministry officer stressed
that although no action would be taken against the Republic of
Indonesia per se, action would be taken against "Republican
Communist organizations," if they were found in areas under
Dutch control.

Washington has communicated this information to the Department of State, the projected announcement has not yet been made in Batavia. There have, however, been persistent reports that both the Dutch and the Republicans are preparing for military action. This apparent approval by The Hague of renewed and determined Dutch effort to achieve by force their objectives in Indonesia apparently presents a serious threat to a successful conclusion of the mission of the UN Good Offices Committee in which the US now occupies the key position.)